



DIGITAL PAYMENT SYSTEM: AWARENESS AND USAGE IN COIMBATORE CITY

Dr.R.KrishnaKumari* Ms.G.Pavithra**

**Head and Assistant Professor, Department of BCom(CA) and MCom, PSGR Krishnammal College for Women, Coimbatore.*

***M.Phil Scholar, Department of Commerce, PSGR Krishnammal College for Women, Coimbatore.*

Abstract

Digital payments are the trend of the day. In a mixed economy like ours, this is a great boon for all the users around the world. Digital payment system is completely changing the traditional system of making and receiving payment throughout the world. It saves time, energy and resources. The present study is conducted among 250 respondents in Coimbatore, to analyse the awareness level and purpose of usage of digital payment systems. The results show that the respondents are highly aware of debit cards, digital payment system is used highly for utility payments and transaction charges is the main influencing factor for preferring digital payment system.

Key Words: Digital Payment System.

Introduction

Digital payment system helps everyone to save time and energy and is more convenient for instant money transfers all across the world. Further, there are many types of digital payment systems available at present which includes Unified payment interface, Aadhaar enabled payment service, Unstructured supplementary service data, Card payments and Electronic wallets. These different modes of digital payment systems are being used all across the world based on the users' requirements and suitability of transactions. Digital payments are used for purchase and sale transactions, ticket bookings and utility payments, banking and other investments and taxation payments. It also helps the business organisations to increase their profits and reduce transaction costs. It helps the government in prompt collection of taxes and e-governance.

Statement of the Problem

India is a developing economy characterised by middle class population, emerging standard of living, young population with huge opportunities for employment and entrepreneurship, high purchasing power of the people and growth in voluminous business transactions. The development of Indian demographics is resulting in high demand for all types of financial and non-financial services across the world. Further, the Indian economy is witnessing tremendous growth in the last two decades following the growth in information technology and information technology enabled services. Presently, the "Digital India" initiative of the government has given a tremendous boost to the usage of digital payment systems throughout the country. Coimbatore is a dynamic city with impressive demographics and the city is going digital and is on the path to embrace technology in all its spheres. The present study is therefore undertaken to identify the awareness and purpose of usage of digital payment systems in Coimbatore city.

Objectives of the Study

1. To analyse the awareness level of the respondents towards the types of digital payment systems.
2. To identify the purpose of digital payment systems.
3. To find the factors influencing the preference of digital payment systems.



Research Methodology

1. **Study Period:** The study was undertaken during the period June2017- November2017.
2. **Sampling:** Data has been collected from 250 respondents using random sampling technique.
3. **Statistical tools used in the study**
 - a. Percentage analysis.
 - b. Descriptive analysis.

Limitations of the Study

The study has the following limitations

1. The study is limited to Coimbatore city so the findings cannot be generalized.
2. The findings of the study are entirely based on primary data. So, the results are subject to limitations of primary data.

Review of Literature

P. Jayakumar and M. Vincent Sahayaraj, (2016) in their article have comprehended the factors that make a customer a happy customer. The article shows that the customers prefer online banking, ATM etc., and alertness and consistency have consequence on their level of satisfaction. The customer satisfaction increases towards the use of current banking services if the bank provides more consistent services with value as promised and on time. SBI has been successful in implementing substantial factors like modern equipment, infrastructural amenities, quality of equipment used. They have been flourishing in achieving an agreeable relationship with customers. Most of the respondents had felt that the employees of the SBI satisfy their customers.

Alhaj(2012) has made a study to investigate the factors that manipulate the consumer adoption of Electronic banking in Nigeria The article examines the relationship between Electronic banking adoption and the determining factors for critical success of Electronic Banking in Nigeria. The results show that the factors that determine the adoption of Electronic banking in Nigeria are awareness, ease of use, security, cost, reluctance to change and accessibility. The results of this study show that the perceived ease of use and reluctant to change are found to be insignificant in determining its adoption.

Ashiya (2006) has done the study to find the current offerings and developments provided by electronic payments. The author has evaluated different modes of e-payment such as plastic cards, debit cards, credit cards, smart cards, electronic cheques etc. These electronic ways are an excellent instrument for payment system. The author analysed that security was the main concern among electronic payments and has suggested that E-payment technology could be used as a tool for the improvement of consumer loyalty and business of banks as it reduces the cost and risk factor and increases the consumer loyalty.

Findings of the Study

Percentage Analysis

The following table shows the demographic factors of the study

Table 1 - Demographic Factors

No	Demographic factors	Classification	Number of Respondents	%
1	Age	Below 25	59	23.6
		26-35	89	35.6
		36-45	61	24.4
		Above 45	41	16.4
2	Gender	Male	118	47.2
		Female	132	52.8



3	Marital Status	Married	160	64.0
		unmarried	90	36.0
4	Educational Qualification	School level	23	9.2
		Under graduation	111	44.4
		Post-graduation	86	34.4
		Retired	30	12.0
5	Monthly Family Income	Below Rs.20,000	46	18.4
		Rs.20,001-Rs.30,000	73	29.2
		Rs.30,001-Rs.40,000	58	23.2
		Rs.40,001-Rs.50,000	58	23.2
		Above 50,000	15	6.0
6	Occupation	Student	30	12.0
		Employed	51	20.4
		Self employed	70	28.0
		Professional	56	22.4
		Retired	14	5.6
		Home maker	29	11.6
7	Type of Family	Nuclear family	138	55.2
		Joint family	112	44.8
Total			250	100.0

It is inferred from the above table 35.6 per cent of the respondents are between 26-35 years of age, 52.8 per cent of the respondents are female, 64.0 per cent of the respondents are married, 44.4 per cent of the respondents have done under graduation, 28.0 per cent of the respondents are self-employed and 29.2 per cent of the respondents' monthly family income is between Rs.20, 001 to Rs.30,000 and 55.2 per cent of the respondents live in nuclear family.

Descriptive Statistics - Awareness of Digital Payment System

The following table shows the awareness level of the respondents towards the types of digital payment systems.

Table 2 –Awareness of Digital payment system

Digital Payment System	N	Minimum	Maximum	Mean	Std. Deviation
Credit card	250	1	2	2.23	.440
Debit card	250	1	3	2.38	.473
Rupay card	250	1	3	1.98	.791
Visa card	250	1	3	1.86	.822
Master card	250	1	3	2.04	.882



USSD(unstructured supplementary service data)	250	1	3	1.26	.629
AEPS(Aadhar enabled payment system)	250	1	3	1.99	.768
UPI(unified payment system)	250	1	3	1.26	.772
Paytm	250	1	3	1.49	.707
Free charge	250	1	3	1.62	.741
Airtel money	250	1	3	1.31	.536
Samsung pay	250	1	3	2.06	.817
Bank prepaid cards	250	1	3	1.94	.709
Point of sale	250	1	3	2.24	.749
NEFT	250	1	3	1.62	.758
RTGS	250	1	3	1.63	.718
ECS	250	1	3	2.14	.752
IMS	250	1	3	2.14	.814
App banking	250	1	3	1.90	.861

It is inferred from the above table that most of the respondents are aware of debit cards and credit cards followed by point of sale transactions.

Descriptive Statistics - Purpose of Usage of Digital Payment System

The following table shows the purpose of usage of digital payment systems.

Table 3 - Purpose of Usage of Digital Payment System

Purpose of usage	N	Minimum	Maximum	Mean	Std. Deviation
Shopping	250	1	4	1.91	.955
Fund transfer	250	1	4	2.12	.879
Utility payments	250	1	4	2.41	.958
Ticket booking	250	1	4	1.96	.999

It is inferred from the above table that digital payment system is used highly for utility payment purpose. The ease of digital transactions which involves only minimal time, effort and resources may be the reason for the usage of digital payment system for utility payments.

Descriptive Statistics - Factors Influencing Preference of Digital Payment System

The following table shows the factors influencing preference of digital payment systems.



Table 4- Factors Influencing Preference of Digital Payment System

Factors	N	Minimum	Maximum	Mean	Std. Deviation
Ease to transaction	250	1	6	3.96	1.722
Transaction charges	250	1	6	4.11	1.633
Convenience	250	1	6	3.24	1.690
Time saving	250	1	6	3.17	1.716
24*7 service	250	1	6	2.68	1.459
Security	250	1	6	3.46	1.645

It is inferred from the above table that transaction charges is the main influencing factor for the preference of digital payment system.

Conclusion

Digital payment system in India, has shown tremendous growth, but still has lot to be done to increase its usage. 24*7 service, time saving, convenience and security factors contribute to strengthen the digital payment system. Digital transactions and mobile wallets, with more secured features, reduced cost of managing and ease of transaction in digital payments are the probable developments in digital payments all over the world. There are a fewer problems for the public to use cashless digital methods at present. But the government's efforts in creating awareness, building trust, providing cyber security framework and necessary infrastructure will make it possible for faster acceptance among the public to adapt towards digital payment systems.

References

1. Alhajabubukharaliyu, sayuM.dyounus, HJ Jasmin (2012) "An exploratory study on adoption of electronic banking" Business and Management Research vol.2 01-06PP, ISSN-20470398.
2. Ashiya (2006) "Different modes of E-Payment used across the globe" International journal forecasting, vol-3, 29-41pp,ISSN: 2349-9893.
3. P. Jayakumar and M. Vincent Sahayaraj, (2016) "A Study on Customer Satisfaction of Modern Banking System" International journal advanced scientific research and development vol. 4,50-55pp.
4. Vijay M. Kumbhar (2011) "Factors Affecting the Customer Satisfaction in E-Banking: Some Evidences from Indian Banks". Management research and practice vol. 3, 1-14PP.
5. MuneerAbbad, Juma'h M. Abed, Mustafa Abbad (2012) "The Development of E-Banking in Developing Countries in the Middle East" Journal of Finance, Accounting and Management, vol.3 2, 107-123PP.
6. G. Badeyan R.A.O.O. Akinyosoye-Gbonda (2011) "Customers' Preference for E – Banking Services: A Case Study of Selected Banks in Sierra Leone". Australian Journal of Business and Management Research. Vol.4, pp.118-116.
7. P. Raja and J. Selvakumari(2015) "A Study on the Satisfaction Level of Internet Banking". Intercontinental journal of marketing research, vol.2, 86-98 pp, ISSN:2321-0346.